Informal settlements are places of considerable vulnerability to disasters. Located on risk-prone marginal land and with a low level of assets, residents face on-going risk of losses related to disaster events. In addressing this problem of vulnerability in informal settlements, the South African government has adopted an approach of in-situ upgrading with the provision of subsidised housing, services and infrastructure, receiving much global recognition for its achievements. This research project explores the extent to which this approach is able to reduce vulnerability to disasters in informal settlements. Specifically it presents the case study of the recently formalised settlement of Vrygrond in Cape Town, South Africa, exploring the effect of formalisation on fire risk and occurrence. Despite the presence of a number of hazard drivers including high settlement density and unsafe building materials, the settlement experiences a relatively low frequency and severity of fire events. It is argued that while formalisation introduced a number of protective factors such as access to safe fuels, a reliable water supply, and improved accessibility for emergency vehicles, factors of social control and self regulation within the community were instrumental in reducing risk. The research calls for increased attention to social factors influencing risk in future research and informal settlement intervention strategies.